water bodies, increased credit flow and sector-specific initiatives to improve growth of the industry and service sectors.

(c) The measures to reduce infrastructure constraints include promoting increased investment opportunities, higher public investment and public-private partnership for development of infrastructure sectors like roads, railways, ports and airports. The tax reform measures are aimed at fiscal consolidation through the Fiscal Responsibility and Budget Management (FRBM) Act, rationalisation of direct and indirect taxes.

(d) Since agriculture contributes about 21 percent of the Gross Domestic Product (GDP), growth of the farm sector is important to achieve high growth. The output of the agriculture sector in India is to a considerable extent dependent on widespread and good monsoon.

Misuse of funds allotted to NGOs

662. SHRIMATI SUKHBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether Accountants General at their annual meeting held in New Delhi on September 22, 2005 expressed serious concern about misuse, abuse and misappropriation of funds and resources allotted to the Non-Government Organizations (NGOs) for various Government schemes;

(b) if so, the precise observations and suggestions made by the Accountants General at the meeting; and

(c) the steps taken and being taken to prevent such abuse of resources?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. In the recommendations of the Conference of Accountants General held on 20-22 September, 2005, misuse, abuse or misappropriation of funds do not find specific mention.

(b) and (c) Does not arise in view of reply to (a) above.

Task Force on Rural Co-operatives

663. SHRIMATI SUKHBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether a conference of Chief Ministers was called in September, 2005 to consider implementation of the recommendations of the Task

Force headed by Prof. Vaidyanathan on Rural Co-operatives and Banking and Credit facilities;

(b) if so, the main recommendations of the Task Force and the decisions taken to implement the same; and

(c) whether it was decided to make adequate credit facilities available for farmers at reasonable rates so as to realise an annual growth of 3 to 4 per cent in agriculture and if so, the steps to be taken in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Government of India in consultation with State Governments has agreed in principle to implement the major recommendations made by the Task Force which inter-alia, include the following:-

(i) Removing State Governments' intervention in administration and financial matters.

(ii) Ensuring full voting rights on all users of financial services including deposits.

(iii) Limiting the exercise of powers of the State Governments to supersede Boards.

(iv) Ensuring timely elections and audits.

(v) Bringing Cooperative Banks on par with Commercial Banks in terms of Prudent Financial Regulation.

(vi) Prescribing fit and proper criteria by Reserve Bank of India for members of the Boards of Banks.

(vii) Prescribing minimum qualifications for CEOs of the Cooperative Banks.

(viii) Prescribing capital adequacy norms for Cooperative Banks.

(c) RBI has deregulated interest rates on loans given by the banks. Banks are free to determine the rate of interest taking into account the cost of funds and the risk element involved. However, RBI has stipulated the interest rate on loans by Commercial Banks upto Rs. 2.00 lakhs should not exceed the Benchmark Prime Lending Rate (BPLR) and loans upto

Rs. 50,000/- should be collateral free. Further, Indian Banks' Association has advised public sector commercial banks in the year 2003 to charge interest rate of not more than 9% p.a. on crop loans upto Rs. 50,000/-

Circulation of fake currency notes

664. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) Whether counterfeit currency notes, particularly of higher denomination, are in circulation in large scale across the country;

(b) if so, the number of cases detected during the last three years;

(c) whether Government are aware that counterfeit currency notes have been dispensed through banks, cash counters and ATMs,

(d) if so, the number of such cases detected and action taken in each case;

(e) in what manner the customers, who have received counterfeit currency through a bank's cash counter/ATM, get them replaced with a genuine notes; and

(f) what measures are contemplated to prevent circulation of counterfeit currency notes in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India (RBI) have reported that the number of counterfeit banknotes detected in the banking system during the last three years has been declining. Details in this regard are given below:—

2002-03		2003-04		2004-05	
Pieces	Value	Pieces	Value	Pieces	Value
211754	35017800	205226	27612540	181928	24379460

(c) and (d) RBI has received three complaints from the public in this regard during the last two years in respect of receipt of counterfeit bank notes from the ATMs. They have issued instructions to banks to put in place adequate safeguards to contain this menace.